

PLACE-BASED ECONOMIC DEVELOPMENT TOOLKIT

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HEARTLAND FORWARD

AN INSTITUTE FOR ECONOMIC RENEWAL



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“**think and do**” tank
dedicated to being a
**resource for states and
local communities in the
middle of the country.**

Our Pillars

Innovation and Entrepreneurship

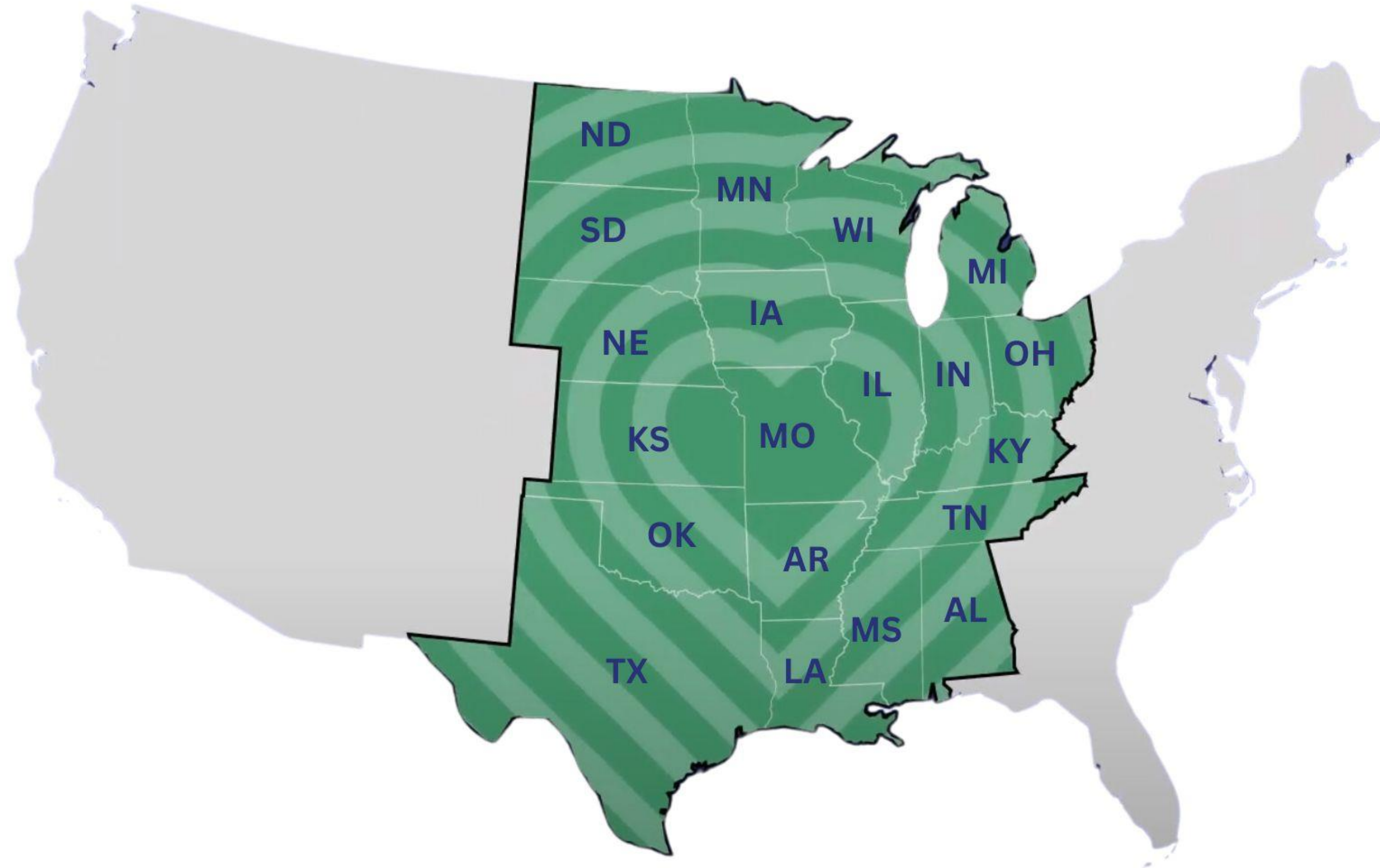
Human Capital and Workforce Development

Health and Wellness

Regional Competitiveness



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Place-based economic development toolkit

- Building strong and resilient economies takes time and is a self-organizing local process.
- There is no fixed recipe for growth - we build from local strengths.
- Toolkit aims to offer high-level guidance and frameworks to approach finding your regional strengths.

<https://heartlandforward.org/case-study/place-based-economic-development-toolkit/>



The framework: place-based capacities

- **Community capacity** - Physical and human capital assets that influence economic development. Includes physical infrastructure (roads and bridges), digital infrastructure (broadband access), and workforce skills/knowledge.
- **Firm and industry capacity** - Firms' assets in a location, including workforce, facilities, equipment and supply chains.
- **Entrepreneurial capacity** - Potential for generating new small businesses, including a risk-taking culture, networks, financial capital and a skilled workforce. Includes startups and entrepreneurs who would like to start firms.
- **Innovation support capacity** - Resources required to support new products, processes and organizations. Includes facilities, support services, and risk-taking ability. This capacity extends to research and development activity in existing firms, universities, and other organizations.

Policies to foster regional capacities at three stages of industry maturity

Capacity	Nascency Stage	Accelerating Stage	Resilient Stage
Community capacity: The physical, social, and environmental assets that influence the context for economic development;	<ul style="list-style-type: none"> Address fundamentals 	<ul style="list-style-type: none"> Consensus planning Increase diversity through outreach 	<ul style="list-style-type: none"> Look for new ideas/opportunities
Firm and industry capacity: The assets relevant to firms and industry, including workforce, facilities and equipment, organization, and supply chain;	<ul style="list-style-type: none"> Procurement Contracts Build shared facilities 	<ul style="list-style-type: none"> Specialized Training Extension programs 	<ul style="list-style-type: none"> Invest in local supply chains Industrial Parks
Entrepreneurial capacity: The potential for generating new small businesses, including a risk-taking culture, networks, access to financial capital and a skilled workforce;	<ul style="list-style-type: none"> Programs to increase access to startup capital Invest in STEM education 	<ul style="list-style-type: none"> Incubators Accelerators Celebrate Success 	<ul style="list-style-type: none"> Continue nurturing new talent
Innovative infrastructure capacity: The ability to support new products, processes, and organizations, in terms of facilities, support services, and willingness to take risks.	<ul style="list-style-type: none"> University tech transfer policy optimized Engage foundations and civic leaders 	<ul style="list-style-type: none"> Create industry associations 	<ul style="list-style-type: none"> University technology extension programs

Tools to aid place-based economic development

Six modules

1. Constructing a regional profile
2. Identifying target industries for development
3. Assessing a regional industry's maturity
4. Building effective partnerships
5. Setting relevant goals
6. Choosing benchmark regions

Four case studies

- Kansas City Animal Health Corridor
- Central Indiana
- Greenwood, Mississippi
- Omaha, Nebraska

1. Constructing a regional profile

Having a clear understanding of your region is core to place-based economic development. A regional profile shares relevant information with partners or potential funders.

- Consider your audience and the purpose of sharing the profile - what are you trying to convey about your region?
- Your regional economic development goals - what do you want to improve?
- Include data, benchmarks, identified opportunities, capacities you have and would like to develop further
- SWOT analysis of your region in relation to your goals
- Consider geographic subregions / subgroups within your population that need particular attention
- Regional profiles can help build a shared understanding of place and its opportunities/ risks

2. Identifying target industries for development

- Place-based approaches build on existing regional capacities rather than chasing the hot new industry
 - Use tools that assess concentration (e.g. location quotients, shift share analysis, data on new business formation, patents, etc.)
 - Consult experts at local firms, entrepreneurs, universities, industry organizations to identify gaps in the supply chain or emerging opportunities
 - Consider skills-profile of the workforce, anchor institutions (universities, government labs), entrepreneurial culture, natural resources.
- Clustering & knowledge spillovers

Kansas City Animal Health Corridor Case Study

- Focused on research, development, manufacturing and distribution of veterinary pharmaceuticals, vaccines, and other health products for animals.
- Spans from Lawrence, KS to Columbia, MO.
- Largest concentration of animal health companies, research institutions and service providers in the world → 300+ companies making up ~60% of sales
- Building from cluster developed around the Kansas City stockyards, with ties to vocational education and research at local academic institutions and local firms in the supply chain.

3. Assessing a regional industry's maturity

The appropriate support for a regional industry depends on its maturity / stage of development

- The maturity of an industry in a region is tied to the number of firms and related activities, influencing the potential for shared resources, worker training, and favorable policies.
- Nascent industries often start from discoveries in existing companies or universities, with commercial potential realized through the support of investors, customers, and employees.
- Accelerating industries have gained momentum with demonstrated successful firms (maybe IPOs or big contracts) and attract new firms, entrepreneurs, and workers to the region and the growing cluster.
- Resilient industries, where growth has stabilized, will contain firms of different sizes and maturity and may have built connections to related supply-chain industries.

Tech transfer to foster place-based economic development

- Universities are a key asset in place-based economic development.
- Tech transfer out of universities and research institutions can be a source of new firms in nascent industries or help firms in accelerating or resilient industries improve projects and processes to stay competitive.
- University graduates are future entrepreneurs and employees, and can attract firms to the region.
- Research and discovery are fundamental objectives of universities, but they must be absorbed and infused into private industry to yield an economic return on the investment.
- [Research to Renewal: Advancing University Tech Transfer](#) evaluates which universities are most proficient at creating new knowledge; embedding it in their STEM graduates; and transferring both to new and existing enterprises.

Research to Renewal recommendations to advance tech transfer

- Renew the promise of innovation-driven economic growth for the entire U.S. through investments of federal funds in scientific and technological innovation.
- Develop more data - including on startup firm survival, commercial and financial success, informal tech transfer through engagement with local communities and social entrepreneurship to build a more complete picture of the impact of US research universities
- Bolster technology transfer out of regional university research-based centers of excellence.
- Dedicate funding to university formal technology transfer.
- Increase technology transfer efficiency by adopting best practices.
- Pool invention disclosure and patents.
- Alumni foundation investment in venture capital.

Research to Renewal: Top 25 Tech Transfer Universities



Source: Research to Renewal: Advancing University Tech Transfer, Heartland Forward (May 2022)

Research to Renewal: Top 25 Tech Transfer Universities

Rank	Institution	Indexed Score
1	Carnegie Mellon University	100
2	University of Florida	98.72
3	Columbia University	98.37
4	Stanford University	95.50
5	Harvard University	94.96
6	University of Pennsylvania	93.88
7	North Carolina State University	92.79
8	University of California, San Diego	92.64
9	University of California, Los Angeles	91.47
10	University of Minnesota	91.01
11	Massachusetts Institute Technology	90.81
11	Purdue University	90.81
13	Northwestern University	90.58

Rank	Institution	Indexed Score
14	Cornell University	90.35
15	Duke University	88.29
16	University of Michigan	87.56
17	New York University	87.05
18	University of Washington	86.51
19	California Institute of Technology	86.36
20	University of Texas at Austin	85.97
21	University of Pittsburgh	85.78
22	Princeton University	85.62
23	Brigham Young University	84.50
24	University of Chicago	84.46
25	University of California, Berkeley	83.57

4. Building effective partnerships

Connecting and aligning your community around a shared goal helps place-based economic development, aiding focus and ability to coordinate and respond to opportunities.

- Key potential partners include: Government entities, firms, chambers of commerce, labor unions, indigenous nations, universities and research partners, and foundations.
- While federal funding may help initiate partnerships and dialogue, the shared vision of what might be possible is valuable even if applications for funding are unsuccessful.
- We provide a Community Consensus Discussion Guide for starting community conversations that help foster inclusive and meaningful partnerships, and surface any concerns or recommendations relating to a specific project.

Building effective partnerships: Central Indiana

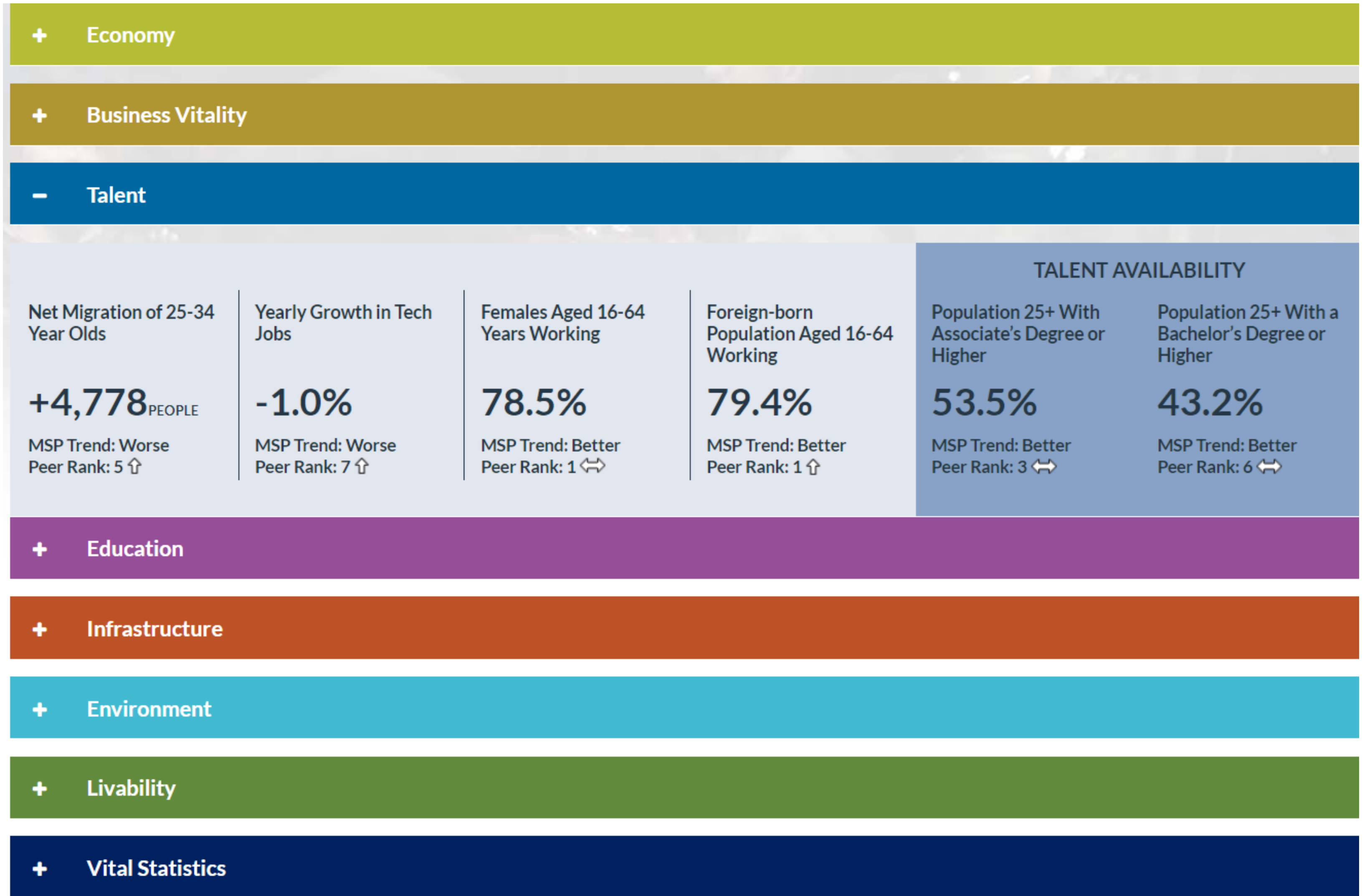
- Central Indiana builds on its strengths through industry collaboration and civic partnerships, benefiting from philanthropic funding, a wealth of publicly traded companies, and a strong history of entrepreneurship. It takes an academic and data-driven approach to economic development.
- Central Indiana Corporate Partnership (CICP) facilitates private-public partnerships to bolster innovation, develop a robust talent pipeline, and help Hoosiers find successful careers.
- The CICP acts as a central actor which represents the perspective of the civic and private sector. It gathers business executives, philanthropic foundations and universities with the mission to support the region's prosperity and community identity.
- CICP leads several cluster initiatives in the region through subsidiary organizations, including TechPoint (technology), AgriNovus Indiana (agriculture innovation), BioCrossroads (life sciences), and Conexus Indiana (manufacturing and logistics). It also established the Ascend initiative to increase access to qualified labor, including by helping match job seekers and Indiana employers.

5. Setting relevant goals

Stakeholder Engagement is a prerequisite for setting relevant goals.

- Involve a diverse group of stakeholders to build alignment around a regional vision and identify key capacities to target through policy and programs.
- Take an inclusive approach that respects participants' input and time, to collect ground-level insights on obstacles and aspirations for the region's future.
- Utilizing community consultation tools to aid in developing a shared vision and establishing measurable goals.
- Goals should be measurable and achievable and may include metrics such as labor force participation rates, training programs completed, and new firm formation, among others.
Track progress and report back to the community

Setting relevant goals: Regional indicators dashboard



GREATER MSP
 Minneapolis Saint Paul Regional Economic Development Partnership

6. Choosing benchmark regions

Well-chosen benchmarks to provide context for regional performance.

- No region has complete control of its own destiny - national and international macroeconomic trends and global events have impact across regions.
- Choose benchmarks based on factors like shared characteristics or goals not just proximity or history.
- Benchmarks can be used to track and assess performance, keep stakeholders informed, build a shared understanding of performance against goals, and to guide decisions.

Discussion and questions



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